

MARADMIN 092/98

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Date signed: 10/26/98

MARADMIN Number: 092/98

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FM CMC WASHINGTON DC//RA//

TO MARADMIN

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UNCLAS //NO1900//

MARADMIN 092/98

MSGID/GENADMIN//

SUBJ/FY99 TEMPORARY EARLY RETIREMENT AUTHORITY (TERA) FOR THE ACTIVE
/RESERVE (AR) PROGRAM//

REF/A/CONGRESS/23OCT92/-/-/-//

AMPN/REF IS THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FY93
(P.L. 102-484). SECTION 4403 PROVIDES THE STATUTORY AUTHORITY
FOR THE USE OF TERA.//

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RMKS/1. AS THE MARINE CORPS IMPLEMENTS ITS STRATEGY TO MEET QUADRENNIAL DEFENSE REVIEW (QDR) MANDATED REDUCTION OF THE ACTIVE RESERVE (AR) PROGRAM BY 22 PERCENT, SOME VERY DIFFICULT DECISIONS CONCERNING RETENTION OF AR MARINES MUST BE FACED. IN AN EFFORT TO MINIMIZE THE PAIN TO OUR MARINES, TEMPORARY EARLY RETIREMENT AUTHORITY (TERA) IS BEING OFFERED FOR A SECOND YEAR ON A LIMITED BASIS TO A SPECIFIC PORTION OF THE AR COMMUNITY. THIS FY'S AUTHORITY IS MORE LIMITED THAN LAST YEAR'S, AND IS TARGETED TO ASSIST THOSE MARINES WHO WILL BE IMPACTED THE HEAVIEST AS A RESULT OF THE DRAW DOWN.

2. TERA OFFERS EARLY RETIREMENT AT A SOMEWHAT REDUCED MONTHLY STIPEND TO ELIGIBLE MEMBERS PRIOR TO COMPLETING 20 YEARS ACTIVE DUTY SERVICE.

3. AR MARINES WHO MEET THE ELIGIBILITY CRITERIA OUTLINED IN THIS MARADMIN MAY APPLY FOR TERA. APPLICATIONS ARE DUE AT THIS HEADQUARTERS BY 30 NOV 98. APPLICANTS WHO ARE APPROVED FOR TERA WILL BE NOTIFIED BY CMC (RA) NO LATER THAN 15 JAN 99.

4. ALL ELIGIBLE MEMBERS WHO APPLY FOR TERA MAY NOT BE APPROVED. TERA IS NOT AN ENTITLEMENT, BUT A FORCE SHAPING TOOL AUTHORIZED BY CONGRESS FOR SERVICE USE TO FACILITATE DOWN SIZING EFFORTS. NEEDS OF THE MARINE CORPS AND THE AR PROGRAM WILL BE PARAMOUNT IN APPROVING TERA REQUESTS. ELIGIBILITY CRITERIA AS OUTLINED IN PARAGRAPH 5 IS NOT WAIVERABLE.

5. ELIGIBILITY CRITERIA:

A. OFFICER ELIGIBILITY CRITERIA.

- (1) TERA MAY BE AUTHORIZED FOR A LIMITED NUMBER OF LIEUTENANT COLONELS AND MAJORS WHO ARE CAREER DESIGNATED, WITH MORE THAN 15 BUT LESS THAN 20 YEARS ACTIVE DUTY.
- (2) OFFICERS APPROVED FOR TERA WHO HAVE RECEIVED BONUS PAYS ARE REQUIRED TO REPAY ANY UNEARNED PORTION OF PREPAID AMOUNTS ON A PRO-RATA BASIS PRIOR TO RETIREMENT.
- (3) OFFICERS APPROVED FOR TERA WHO HAVE RECEIVED TUITION ASSISTANCE (TA) FOR OFF-DUTY EDUCATION MUST REPAY ALL TA FUNDS RECEIVED FOR COURSES TAKEN IN THE LAST TWO YEARS ON A PRO-RATA BASIS BEFORE THE MEMBER IS SEPARATED FROM ACTIVE DUTY.
- (4) OFFICERS APPROVED FOR TERA WHO HAVE PREVIOUSLY ESTABLISHED A VOLUNTARY EDUCATIONAL ASSISTANCE PROGRAM (VEAP) ACCOUNT MUST MAKE ALL PAYMENTS TO THE ACCOUNT BEFORE THE MEMBER IS SEPARATED FROM ACTIVE DUTY.
- (5) OFFICERS SEPARATED UNDER TERA ARE NOT ELIGIBLE TO ENROLL IN THE MONTGOMERY GI BILL.
- (6) TO RETIRE IN GRADE, MEMBERS MUST MEET THE FOLLOWING CRITERIA:

(A) 0-5: 3 YEARS TIME IN GRADE (TIG). A ONE-YEAR

WAIVER TO THE 3 YEARS TIG REQUIREMENT MAY BE ENTERTAINED, AS AUTHORIZED BY TITLE 10 USC, SECTION 1370.

(B) 0-4: 6 MONTHS TIG.

B. OFFICER INELIGIBILITY CRITERIA.

- (1) CAREER DESIGNATED FOR LESS THAN 12 MONTHS.
- (2) LTCOLS WITH AN MOS OF 7202, 7523
- (3) MAJS WITH AN MOS OF 0202, 1302, 3404, 3502, 4302, 4402, 7202, 7523, 7564, 7565.
- (4) MAJS WITH A DATE OF RANK JUNIOR TO 951101.
- (5) COMPLETED LESS THAN EIGHT YEARS COMMISSIONED SERVICE AS OF THE DATE OF RETIREMENT (DOES NOT APPLY TO CWO'S).
- (6) CURRENTLY ATTENDING A PME FULL LENGTH SCHOOL OR HAS NOT FULFILLED THE 2 YEAR ADDITIONAL SERVICE OBLIGATION INCURRED AS A RESULT OF ATTENDANCE AT SUCH A SCHOOL BY THE RETIREMENT DATE.
- (7) HAS TENDERED RESIGNATION OR REQUEST FOR SEPARATION PRIOR TO THE DATE OF THIS ALMAR.
- (8) HAS BEEN NOTIFIED THAT HE OR SHE IS BEING INVOLUNTARILY SEPARATED FOR CAUSE BY REASON OF SUBSTANDARD PERFORMANCE OF DUTY, MISCONDUCT, OR MORAL OR PROFESSIONAL DERELICTION OR HAS BEEN NOTIFIED IN WRITING TO SHOW CAUSE FOR RETENTION.
- (9) IS PENDING ANY LEGAL ACTION OR PROCEEDINGS.
- (10) IS SERVING ON THE AR FMF TOUR PROGRAM, OR HAS SERVED ON THE AR FMF TOUR PROGRAM WITHIN THE PREVIOUS 2 YEARS OF THE DATE OF RETIREMENT.
- (11) EFFECTS A PCS FOLLOWING THE DATE OF THIS MARADMIN.

C. ENLISTED MARINE ELIGIBILITY. TO QUALIFY FOR TERA, AN ENLISTED MARINE MUST BE CAREER DESIGNATED FOR AT LEAST 12 MONTHS AS OF THE DATE OF RETIREMENT, WITH AN ARMED FORCES ACTIVE DUTY BASE DATE BETWEEN 791231-840101 IN THE FOLLOWING OCCUPATIONAL FIELD AND GRADES:

OCCFLD	GRADE
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0193	E6-E8
0291	E6-E8
1349	E6-E7
1833	E7
2591	E6-E7
2821	E7
3043	E6-E8
3051	E7
3451	E6-E8
3529	E6-E7;E9
3537	E7-E8
4066	E7
5711	E7-E8
6027	E7
6087	E7
6057	E7
6072	E7
6073	E6
6016	E6
6047	E7
6132	E6
6112	E6
6316	E6
6324	E7
6391	E8
6672	E6-E8
7011	E6
7041	E6;E8

7222 E7
7382 E7
8412 E8

- (1) ENLISTED MARINES ACCEPTED FOR TERA MUST ALSO SATISFY THE BASIC REENLISTMENT CRITERIA IN MCO P1040R.35B, PARA 5101.2(A) - (S).
- (2) ENLISTED MARINES DO NOT INCUR THE SAME PAYBACK REQUIREMENT FOR USE OF TA AS OFFICERS.
- (3) ENLISTED MARINES APPROVED FOR TERA WHO HAVE PREVIOUSLY ESTABLISHED A VOLUNTARY EDUCATIONAL ASSISTANCE PROGRAM (VEAP) ACCOUNT MUST MAKE ALL PAYMENTS TO THE ACCOUNT BEFORE THE MEMBER IS SEPARATED FROM ACTIVE DUTY.
- (4) ENLISTED MARINES SEPARATED UNDER TERA ARE NOT ELIGIBLE TO ENROLL IN THE MONTGOMERY GI BILL.
- (5) TO RETIRE IN GRADE, ENLISTED MEMBERS MUST MEET THE FOLLOWING CRITERIA:
 - (A) E-7 AND ABOVE: 2 YEARS TIG. WAIVERS UP TO ONE YEAR MAY BE ENTERTAINED.
 - (B) E-6: TIME SERVED.

D. ENLISTED MARINE INELIGIBILITY CRITERIA.

- (1) HAS BEEN CAREER DESIGNATED FOR LESS THAN 12 MONTHS.
- (2) IS PENDING ADMINISTRATIVE ACTION WHICH COULD CULMINATE IN VOLUNTARY OR INVOLUNTARY DISCHARGE PROCEEDINGS.
- (3) IS PENDING ANY LEGAL ACTION OR PROCEEDINGS.
- (4) HAS BEEN NOTIFIED THAT A REENLISTMENT REQUEST HAS BEEN DENIED AND THE MARINE WILL BE INVOLUNTARILY SEPARATED.
- (5) EFFECTS A PCS FOLLOWING THE DATE OF THIS MARADMIN.

6. OFFICERS RETIRED PER THIS MARADMIN WILL BE ASSIGNED A SEPARATION PROGRAM DESIGNATOR (SPD) CODE OF "RBE 2"; ENLISTED MARINES WILL BE ASSIGNED AN SPD CODE OF "NBE 1"; NARRATIVE REASON FOR BOTH TO READ: "VOLUNTARY RETIREMENT/TRANSFER TO THE FMCR WITH LESS THAN 20 YEARS SERVICE, SUBJECT TO PL 102-484, EARLY RETIREMENT PROGRAM."

7. COMPUTATION OF TERA RETIRED PAY. BECAUSE TERA PERMITS RETIREMENT BENEFITS TO START PRIOR TO THE STANDARD 20 YEAR RETIREMENT PLAN, CONGRESS LEGISLATED A REDUCTION FACTOR TO BE ASSESSED AGAINST TERA RETIRED PAY. THE EFFECT OF THE REDUCTION FACTOR DEPENDS ON THE NUMBER OF YEARS BEFORE 20 YEARS OF ACTIVE SERVICE (YOS) THAT A MEMBER RETIRES. THAT REDUCTION FACTOR IS 1/12TH PERCENT FOR EACH MONTH LESS THAN 20 YOS. FOLLOWING IS AN EXAMPLE FOR AN O-4 WITH 16 YOS:

- A. FIRST FIGURE STANDARD RETIRED PAY FOR AN O-4 WITH 16 YOS, 6 MONTHS: \$4,290.30 (MONTHLY BASE PAY) X 16.5 YOS X 2.5 PERCENT EQUALS \$1,769.75. INACTIVE DUTY POINTS EARNED WHILE NOT IN AN ACTIVE DUTY STATUS, TO A MAXIMUM OF 60 POINTS PER YEAR, WILL BE ADDED TO THE YOS IN THIS FORMULA. THIS ESTABLISHES THE RETIRED PAY MULTIPLIER FOR RETIRING AR MARINES.
- B. SECOND, COMPUTE THE REDUCTION FACTOR:
 - (1) IN THIS EXAMPLE, 20 YOS - 16.5 YOS = 3.5 YOS (42 MONTHS)
 - (2) 42 MONTHS X 1/12TH PERCENT = 3.5 PERCENT
 - (3) SUBTRACT THIS FROM 100 PERCENT (100 - 3.5 = 96.5 PERCENT)
- C. THIRD, MULTIPLY \$1,769.75 (FROM STEP 9A, ABOVE) BY 96.5 PERCENT (THE REDUCTION FACTOR) TO ARRIVE AT THE MONTHLY RETIRED PAY OF \$1,707 (10 USC SEC. 1412 REQUIRES THAT RETIRED PAY WILL BE ROUNDED TO THE NEXT LOWER DOLLAR.)

NOTE: BY LAW (10 USC SEC. 1407) SERVICE MEMBERS WHO BECAME A MEMBER OF ANY UNIFORMED SERVICE AFTER 7 SEP 80 WILL USE THE "HIGH-36 MONTH" AVERAGE ANNUITY FORMULA. REFER TO PREVIOUS LEAVE AND EARNINGS STATEMENTS TO DETERMINE THIS AVERAGE AND PROJECT MONTHLY BASE PAY, THEN SUM 36 MONTHS OF BASE PAY WORKING BACKWARDS FROM PROJECTED RETIREMENT DATE AND DIVIDE BY 36. INCLUDE ANNUAL PAY RAISE AND LONGEVITY (FOGEY) PAY RAISE IN THE CALCULATION. APPOINTMENT AS

MIDSHIPMAN USN (NAVAL ACADEMY) OR MIDSHIPMAN USNR (NROTC) CREATES MILITARY STATUS FOR DETERMINATION OF WHEN INDIVIDUAL BECAME A MEMBER OF A UNIFORMED SERVICE.

8. BENEFITS AND OBLIGATIONS FOR TERA RETIREES. RETIREMENT BENEFITS FOR 15 THROUGH 20 YEARS OF SERVICE ARE THE SAME AS 20 YEAR RETIREMENT EXCEPT FOR THE PAY CALCULATION AND AS NOTED BELOW:

- A. TRANSITION ASSISTANCE SERVICES AND BENEFITS. ALL TERA RETIREES WILL BE ELIGIBLE FOR TRANSITION SERVICES THAT INCLUDE PRE-SEPARATION COUNSELING, EMPLOYMENT ASSISTANCE, RELOCATION ASSISTANCE, RECEIPT OF SKILLS/TRAINING VERIFICATION DOCUMENT (DD-2586), OVERSEAS RELOCATION ASSISTANCE AND PERMISSIVE TAD (20 DAYS CONUS, 30 DAYS OCONUS) FOR JOB/HOUSE HUNTING.
- B. PUBLIC AND COMMUNITY SERVICE REGISTRY (PACS). ALL TERA RETIREES ARE REQUIRED BY PUBLIC LAW TO REGISTER FOR PACS, BUT THEY ARE NOT REQUIRED TO ACCEPT PACS EMPLOYMENT. HOWEVER, A MARINE SEPARATING PURSUANT TO TERA CAN INCREASE HIS OR HER RETIREMENT PAY TO UP TO 50 PERCENT AT AGE 62 VIA PACS. PACS REGISTRATION CAN BE DONE AT THE NEAREST MILITARY TRANSITION SITE -- USUALLY, A MILITARY FAMILY SERVICE CENTER (FSC). MEMBERS CHOOSING TO ACCEPT PACS EMPLOYMENT AFTER MILITARY RETIREMENT CAN EARN ADDITIONAL RETIREMENT ANNUITY CREDIT UP TO 20 YEAR RETIREMENT PAY. CREDIT IS EARNED FOR PACS EMPLOYMENT ONLY BETWEEN THE SEPARATION DATE AND THE DATE THE MEMBER WOULD HAVE NORMALLY REACHED 20 YEARS MILITARY SERVICE. FOR EXAMPLE, A MEMBER RETIRING AT THE 16 YEAR POINT HAS THE NEXT FOUR YEARS TO EARN RETIREMENT CREDIT FROM PACS EMPLOYMENT. MEMBERS WHO BEGIN PACS EMPLOYMENT THE DAY FOLLOWING RETIREMENT DATE WILL OBTAIN MAXIMUM RETIREMENT CREDIT IF THEY REMAIN IN PACS EMPLOYMENT UNTIL THEY REACH THEIR 20 YEAR DATE. PACS EMPLOYMENT RETIREMENT IS PAID BEGINNING AT AGE 62. THE NATIONAL REGISTRY WILL CONTAIN JOBS IN THE FOLLOWING CATEGORIES: EDUCATION, LAW ENFORCEMENT, PUBLIC HOUSING, CONSERVATION AND ENVIRONMENT.
- C. SURVIVOR BENEFIT PROGRAM (SBP). SBP IS A WAY FOR RETIREES TO PROVIDE AN ANNUITY FOR THEIR FAMILY MEMBERS, BUT THE OPPORTUNITY TO SIGN UP FOR THIS IMPORTANT BENEFIT COMES ONLY ONCE: AT RETIREMENT. FOR THAT REASON, MEMBERS ARE STRONGLY ENCOURAGED TO CONSULT THEIR SITE ADMINISTRATIVE PERSONNEL FOR FULL INFORMATION ON SBP OPTIONS.

9. APPLICATION PROCEDURES.

- A. ALL AR MARINES WHO SATISFY THE CRITERIA FOR THE PROGRAM PER THIS MARADMIN MAY SUBMIT THEIR APPLICATIONS VIA:
 - (1) THE "TERA REQUEST" LOTUS NOTES DATABASE LOCATED ON HQMC SERVER, RA DIRECTORY "IWO JIMA/MANPOWER". THIS DATABASE HAS THE NECESSARY AA FORM AND CO'S ENDORSEMENT ALREADY PREPARED. SIMPLY FILL IN THE BLANKS. ALL APPLICANTS WITH ACCESS TO R-NET MUST SUBMIT THEIR APPLICATIONS VIA THIS DATABASE.
 - (2) BANYAN EMAIL, ORIGINATING FROM THE APPLICANT'S E-MAIL ACCOUNT ONLY TO THE IMMEDIATE COMMANDING OFFICER, WHO WILL ENDORSE AND FORWARD THE REQUEST TO THE NOTES OR BANYAN ACCOUNT OF GYSGT PATRICIA A. VANCHURE.
 - (3) FAX'D TO (703)784-9808.
 - (4) LAND MAIL BY NAVAL CORRESPONDENCE WITH CO'S ENDORSEMENT TO THIS HEADQUARTERS (RAMA).
- B. THE APPLICATION WILL CONTAIN THE FOLLOWING INFORMATION:
 - (1) A STATEMENT THAT ALL ELIGIBILITY CRITERIA HAVE BEEN SATISFIED. A TIME IN GRADE WAIVER MUST BE REQUESTED, IF REQUIRED.
 - (2) THE DATE OF INTENDED RETIREMENT (DATE MUST BE 1 JUN, 1

092

- JUL, 1 AUG, OR 1 SEP FOR OFFICERS; 30 JUN, 31 JUL, 31 AUG, OR 30 SEP FOR ENLISTED MARINES).
- (3) THE DATE OF LAST DAY OF DUTY WITH COMMAND, IN ORDER TO TAKE ADVANTAGE OF PTAD AND TERMINAL LEAVE.
 - (4) THE FOLLOWING STATEMENT: I ACKNOWLEDGE THAT I WILL HAVE COMPLETED AT LEAST 15 YEARS OF ACTIVE DUTY PRIOR TO MY REQUESTED DATE OF RETIREMENT. I HAVE PROVIDED A COPY OF THE COMPLETED DD FORM 2580 TO THE MILITARY TRANSITION ASSISTANCE OFFICE. I AM AWARE OF THE PROGRAM BENEFITS AND AM MAKING THIS DECISION TO RETIRE FROM THE MARINE CORPS VOLUNTARILY BASED ON NO PROMISES OR INFORMATION OTHER THAN THE PROGRAM BENEFITS APPROVED AS OF THIS DATE.
 - (5) MAILING ADDRESS UPON RETIREMENT.
 - (6) EACH REQUEST MUST CONTAIN AN ENDORSEMENT FROM THE MARINE'S IMMEDIATE COMMANDING OFFICER CERTIFYING:
 - (A) THAT THE COMMANDER HAS VERIFIED THAT THE APPLICANT SATISFIES THE BASIC REENLISTMENT CRITERIA AS STATED IN MCO P1040R.35B PAR 5101.2 (A) - (S) (ENLISTED MARINES ONLY).
 - (B) THAT THE COMMANDER HAS VIEWED A PACS DD FORM 2580 (DOD OUT PLACEMENT REFERRAL SYSTEM/PUBLIC AND COMMUNITY SERVICE INDIVIDUAL APPLICATION) COMPLETED BY THE APPLICANT.
 - (C) THAT TAP CLASSES AND A PHYSICAL CAN BE COMPLETED PRIOR TO THE REQUESTED RETIREMENT DATE.
 - (D) THAT THE COMMANDER IS NOT AWARE OF ANY SEPARATION OR DISCHARGE PROCEEDINGS BEING TAKEN ON THE MARINE.

NOTE: ONLY A FIRST ENDORSEMENT IS REQUIRED.

10. TO BE ABLE TO IMPLEMENT THIS PROGRAM IN AN ORDERLY MANNER, THE DECISION TO APPLY FOR TERA IS A FINAL AND IRREVOCABLE DECISION TO RETIRE FROM THE MARINE CORPS. REQUESTS TO WITHDRAW, CANCEL, OR MODIFY APPLICATIONS WILL NOT BE APPROVED.

11. THE USE OF TERA WILL BE VERY SELECTIVE AND TEMPORARY. TERA PLANS FOR FY00 HAVE NOT BEEN DEVELOPED. MARINES SHOULD NOT ASSUME THAT THEY WILL HAVE FUTURE OPPORTUNITIES TO APPLY FOR TERA.//

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